Association of Connecticut Ambulance Providers

Aetna Ambulance -:- Ambulance Service of Manchester -:- American Ambulance Service
Campion Ambulance Service -:- Hunter's Ambulance Service

February 27, 2015

Testimony of David D. Lowell, President

HB6824- AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE.

Appropriations Subcommittee on Human Services, Friday, February27, 2015

Senator Bye, Representative Walker, Senator Flexer and Representative Abercrombie and members of the Appropriations Subcommittee on Human Services.

My name is David Lowell. I am President of the Association of Connecticut Ambulance Providers and Executive Vice President and Chief Operating Officer of Hunter's Ambulance Service. I would like to offer testimony in opposition to ambulance budget cuts in HB6824- AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE.

First, ambulance services are different than any other healthcare discipline in that our rates are set annually and are regulated by the Department of Public Health. Our line of healthcare services has endured cuts over the past four years.

- Medicaid reimbursement for ambulance transportation has been cut by 10% in July, 2011 and 10% in January, 2013.
- Medicare reimbursement for ambulance services was cut 2% effective March, 2013 (sequestration) for all transports ***and*** an additional 10% in October, 2013 on Dialysis ambulance transports.
- Ambulance services do not have an uncompensated care fund to help offset uninsured and underinsured.

Second, Ambulance services across our state have the statutory duty to respond to 911 calls for help in the communities we serve without regard to the patient's ability to pay. This duty includes factoring in all the costs associated with personnel, vehicles and equipment staffed in a pattern that most efficiently meets the predictable call volume demands.

Unlike physicians' offices and other institutionalized health care facilities, ambulance services do not have the option, nor would it be appropriate to ask the 911 caller questions related to the patient's insurance coverage or willingness and ability to pay for services. We therefor take on all emergency calls at risk.

Nearly all of the ambulance services (Commercial, municipal, volunteer, other not for profit) in our state bill for their services to cover their operating costs and assure resources are available and of sufficient quality and capability. Further, nearly 35% of all emergency activations do not end in a transport and therefor no reimbursement.

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Third, as an illustration of how low we are paid by Medicaid for our services let's compare our Medicaid rate to the Medicare rate.

Medicaid reimbursement compared to Medicare reimbursement

- CT Medicaid rates are approximately ***46 %*** of Medicare rates for ambulance services.

In Contrast

- CT Medicaid rates were ***87%*** of Medicare rates for physician services.*
- CT Medicaid rates were ***71%*** of Medicare rates for primary care physicians.*

Medicaid reimbursement compared to cost of service

- Medicaid reimburses on average **50%** of cost for ambulance service for a Medicaid patient.

In Contrast

- Medicaid reimburses **71 %** of the cost for treating Medicaid patients in Connecticut hospitals.**

These disparities clearly illustrate the low reimbursement rate for ambulance services.

With 24-7 access, availability of health care professionals and vehicles, and the full provision of services to patients, we are losing money every time we provide services to a Medicaid enrollee. Further, our reimbursement rates are comprehensive in nature and are inclusive of all medications and medical supplies used in the course of treatment and resuscitation of the patients within our care.

Our ability to be reimbursed by Medicaid is essential and without compromise. This reimbursement structure has historically been preserved because of our distinct differences as a healthcare provider. Our rates are regulated through a state agency; we have a 24-7 statutory response requirement to emergencies, inability to itemize for cost of supplies, and no access to an un-compensated care fund.

Finally, the additional $100 million of discretionary cuts left up to DSS are additionally very concerning as they may very well be directed in part to our industry.

It is for these very important reasons that we strenuously and respectfully request that you not support inclusion of these cuts in the final budget appropriation.

Sincerely,

David D. Lowell, President

*Based upon an analysis published by the Henry J. Kaiser Family Foundation based on 2012 rates for all physician services. (Prior to the ACA increases for PCP's).

**According to information on the CHA website